



**US Army Corps
of Engineers®**
Transatlantic Programs Center

USACE Defense Base Act Insurance Program

Worker Compensation Insurance Program Rules and Regulations



Overview

- What is DBA Insurance
- When DBA Insurance is Required
- Background/History
- Points of Contact

DBA Insurance

- What is DBA Insurance?
 - Congressionally mandated workers compensation insurance effective since 1941
 - 42 U.S.C. Sections 1651-1654, as amended
 - OSD issued guidance in December 2003
- It's the Law
 - Contractors **MUST** buy DBA insurance for its employees working outside the 50 states.
 - Unless under a self-insurance program approved by DOL or subject to a waiver (see FAR 28.305)

When is it Required?

- For Contractors and Subcontractors unless waived by DOL
- A waiver can be requested from DOL
 - IAW FAR 28.305
- No waiver if:
 - ❖ Hired in the US
 - ❖ Resident of the US
 - ❖ Citizen of the US
 - ❖ If no Local Compensation Law Exists in Country

DBA Insurance

- The USACE-wide contract was awarded to Continental Insurance Company (CNA)
- CNA must be utilized whenever the contractor either obtains new DBA insurance or renews its existing DBA insurance
 - Why? Because this is a requirements contract
 - New Contract includes JCC-IA
 - Can't accept coverage from another insurance carrier
 - Otherwise, Government will be in breach of its contract with CNA, and can be sued for damages by CNA

DBA Rates

- Service \$4.00 per \$100 of employee remuneration
- Construction \$7.50 per \$100 of employee remuneration
- Aviation \$20.00 per \$100 of employee remuneration
- Security \$12.50 per \$100 of employee remuneration

Calculation of DBA Insurance

- Bidders/ Offerors should compute the total compensation or total payroll (salary, plus overseas recruitment incentive and post differential, but excludes per diem, housing allowance, travel expenses, temporary quarters allowance, education allowance and other miscellaneous post allowances) to be paid to employees who will be covered by DBA Insurance.

- (1) Compensation of Covered Employees:_____

(Total Payroll Not Total Contract Value) Ex: If total Payroll is \$100,000.00

- (2) Applicable DBA Rate:_____

(Use Appropriate Rate) Ex: If a Service, the rate is \$4.00/\$100 or 4%

- (3) Total DBA Cost:_____

(Amount of DBA Premium) Ex: \$100K multiplied by 4% is \$4,000.00

DBA Regulations

- Contractor shall submit proof of a valid DBA Insurance policy with CAN Insurance for the Prime and their Subcontractors at every tier prior to performance of the contract.
- Contractor agrees to insert Special Contract Requirement substantially the same as this one in all subcontracts (at every tier) to which DBA is applicable.
- Should the rates for DBA Insurance increase or decrease during the performance of this contract, USACE shall modify the contract accordingly. However, the revised rates will not be applicable until the Contractor's or Subcontractor's DBA Insurance policy is due to be renewed.
- Premiums will be reimbursed only if coverage is purchased through the USACE mandatory requirements DBA contract administered by CNA Insurance and their Managing Broker, Rutherford International.
- Failure to comply and purchase DBA Insurance in accordance with FAR 52.228-3 from the mandatory USACE Insurance Carrier/Broker shall be considered a material breach and could cause your contract to be terminated for default/cause.

Background/History

➤ Why does the USACE Program exist?

- ❖ After 9/11 insurance costs became unaffordable for many companies, as much as \$150 per \$100 Compensation
- ❖ Needed to find a way to help companies follow the DBA law

Points of Contact

- USACE DBA Subject Matter Expert
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